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SUBJECT: HUBEI'S EXPERIMENT WITH "DIRECT UNION
ELECTIONS"

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¶1. (SBU) SUMMARY: The All China Federation of Trade Unions (ACFTU) is experimenting in Hubei Province with direct elections of enterprise-level union leaders, but the rules ensure that Communist Party organizations and regional ACFTU offices control the selection of candidates and also give regional ACFTU offices power to reject election results. The program reflects ACFTU's recognition that its enterprise-level unions are weak, with a tendency to passively await instructions from higher-ups in the ACFTU apparatus rather than respond to workers. By giving workers a say in selecting their representatives, the program is meant to make ACFTU unions more energetic and proactive. However, there is no sign that the Hubei ACFTU is rethinking its conflicted mandate to promote both workers interests and stability in production. At the same time, by providing detailed provincial guidance that inserts regional ACFTU offices and the Party into enterprise-level union elections, ACFTU has made the emergence of genuinely worker-controlled unions more difficult. End Summary.

¶2. (SBU) In July 2005, the Hubei provincial branch of the All China Federation of Trade Unions (ACFTU) issued a circular on strengthening direct elections of enterprise-level union leaders, and detailed guidance on how to carry out such elections on a pilot basis. Laboff met with Hubei ACFTU officials on September 28, 2006 to discuss Hubei's experiment in promoting union elections.

¶3. (SBU) Article 9 of China's Trade Union Law provides that enterprise-level union leaders be "democratically elected," but such elections rarely take place. Union leaders are generally appointed through a process of consultation between employers and higher level (city or county-wide) ACFTU officials. Legal prohibitions on management personnel or their relatives serving as company union leaders

are widely ignored throughout Cina.

¶4. (SBU) Hubei ACFTU General Secretar Tan Biyuan told Laboff that the election promotion policy arose in response to the provincial government's call for initiatives to promote a "harmonious society" in keeping with Central Government policy. Tan said ACFTU wanted to take advantage of the opportunity to promote democratization within its unions, and combat ACFTU's tendency to act as a "top-down" organization. The effort started with 50 enterprises in 2004, and expanded to 477 mostly small- and medium-sized non-state-owned enterprises after ACFTU published its election regulations in July 2005. Tan stressed that ACFTU's notion of democratization did not mean unlimited democracy. He said union work must be in line with Party leadership, but that grass-roots union members should participate actively in union work and be free to express themselves within the union. He said ACFTU is still exploring how to accommodate democratization.

¶5. (SBU) Despite its numerous references to democracy, ACFTU's guidance on union elections contains some highly undemocratic elements. Election procedures are democratic and straight-forward, but elections are to be managed by "election working groups" made up of officials from local Party organizations and from higher levels of the ACTFU. There are several methods for selecting candidates, including self-nomination, but according to Tan, "election working groups" play a powerful consultative role in assessing whether candidates have the required

BEIJING 00021628 002 OF 002

qualifications. The first qualification listed in the election guidance is that candidates "diligently carry out the Party's direction and policies." Implementing measures for the pilot election program also require higher ACFTU organizations to approve the results of union elections within an enterprise.

¶6. (SBU) Tan and others said they are optimistic about the union election program, although it is still early in its pilot phase. They said that newly elected union presidents appear to be more effective and enthusiastic than those selected through "non-democratic" means in the past. Tan said this has led to greater interest in the union among workers. Tan added that elected union leaders require a lot of training because they do not know how the union functions, and in some cases, ACFTU has had trouble with employers who do not want to provide union leaders with the time, space and resources required to conduct union work, although it is required by law. When asked by Laboff how far ACFTU was willing to go in its democratization, neither Tan nor any of the other ACFTU officials had any response beyond hoping to organize more unions and promote the use of collective contracts. ACFTU did not indicate any plans to make greater use of collective bargaining to agree upon contract terms. With respect to wages, Tan said that ACFTU and employers generally follow basic guidelines issued by the Ministry of Labor and Social Affairs.

¶7. (SBU) Comment: That ACFTU recognizes the weakness of its enterprise-level unions, and sees greater participation by workers in choosing their union representatives as a solution is a positive development, and may result in marginally more active unions. It falls far short, however, of progress on freedom of association, and the Hubei ACFTU shows no interest in making increased use of its already significant powers under Chinese law to promote workers' rights and interests. Nor is it rethinking

its conflicted mandate to protect both workers rights and "stability" in production. At the same time, by providing detailed provincial guidance that inserts regional ACFTU offices and the Party into enterprise-level union elections, ACFTU has made the emergence of genuinely worker-controlled unions more difficult.

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